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## Volume 2. Air Operator Certification and Fractional Ownership Application

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### CHAPTER 5. CHANGES TO CERTIFICATE OR OPERATING AUTHORITY

#### SECTION 2. MAJOR CHANGES IN OPERATING AUTHORITY

**565. PURPOSE.** This section contains direction and guidance to be used by certificate managers and principal inspectors for processing an operator's application for a major change in operating authority. There are three circumstances that constitute a major change in authority.

*A. Transition to a Different 14 CFR Part.* An operator may transition from one operating rule to another. For example, an air carrier conducting all-cargo operations in a Cessna Caravan (less than 7500 lbs. payload capacity) under part 135 transitions its entire fleet to B-727 type airplanes (greater than 7500 lbs. payload capacity). This would require those operations to be conducted under part 121 due to the payload capacity of the new fleet.

*B. Additional Operations Under a Different 14 CFR Part.* An operator may request to conduct additional operations that are governed by another 14 CFR part. For example, an air carrier conducting all-cargo operations in a Cessna Caravan (less than 7500 lbs. payload capacity) under part 135 (on-demand) adds a B-727 type airplane (greater than 7500 lbs. payload capacity) to its fleet. This would require the B-727 to be operated under part 121 (supplemental) due to the payload capacity of the new airplane.

*C. Additional Authority under the Same Part.*

(1) *Change in Kind of Operation under the Same Part.* An operator authorized to conduct any of these types of operations may request authority under the same part to conduct operations that were not previously authorized. Examples include:

- An air carrier with supplemental authority applying for domestic or flag authority
- An air carrier with domestic authority applying for flag authority
- An air carrier commercial operator with on-demand authority applying for commuter authority

(2) *Requests for Simultaneous Authority to Conduct Interstate Non-scheduled Operations and Intrastate Scheduled Operations.* Some operators that hold interstate on-demand authority have requested to add authority to

engage in scheduled *intrastate*, passenger-carrying operations. These *intrastate* operations are not under the jurisdiction of DOT and do not require DOT economic authority. *Intrastate* operators cannot participate in interline agreements with air carrier certificate holders or carry mail. In addition, it is the DOT's position that an air carrier may not perform one kind of service under DOT authority while also performing another service outside of DOT jurisdiction. Thus, an operator holding an air carrier certificate cannot conduct both interstate, on-demand operations and *intrastate*, scheduled, passenger-carrying operations. If an operator requests certification for both interstate and *intrastate* scheduled operations as indicated in this subparagraph, notify the Air Carrier Fitness Division of the DOT at (202) 366-9721. If an applicant that holds interstate on-demand authority requests to add authority to engage in scheduled intrastate, passenger-carrying operations, they have three options:

(a) If the applicant wants to keep their existing air carrier certificate and on-demand interstate authority, then:

i. They could fly less than 5 round trips per week on a published schedule under their existing on-demand authority. They do not need to complete any additional certification requirements nor do they need any DOT economic authority; or

ii. If they intend to fly 5 or more round trips a week on a published schedule, they must complete the certification process to add commuter operating authority to their air carrier certificate and OpSpecs. They would also have to receive a DOT fitness determination. This would allow them to conduct scheduled interstate in addition to scheduled intrastate operations.

(b) If the applicant wants to limit their operations to scheduled intrastate only, then they must surrender their air carrier certificate and on-demand interstate authority. They must be certificated as a commercial operator. They will be issued an operating certificate and OpSpecs with commuter and on-demand operating authority. They do not need DOT economic authority. They can only conduct

scheduled and on-demand *intrastate* operations under this authority.

**567. APPLICATION AND APPROVAL PROCESS.**

Managers and principal inspectors should view an operator's application for a major change in operating authority as a partial recertification of the operator. (The full approval process is described in volume 2, chapter 2 (part 121) and chapter 3 (part 135).) The certificate manager or the flight standards district office (FSDO) having responsibility for

the operator shall form a certification team and appoint a team leader, preferably one of the principal inspectors. The certification team should follow all the guidance contained in volume 2, chapters 2 and 3 (as applicable), except that the certification process should be limited to the size and scope of the requested change.

**568. – 588. RESERVED.**

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